

AGENDA

TUSAYAN TOWN COUNCIL REGULAR MEETING

PURSUANT TO A.R.S. § 38-431.02 & §38-431.03

Wednesday, March 19, 2014 at 6:00pm

TUSAYAN TOWN HALL BUILDING

845 Mustang Drive, Tusayan Arizona

Pursuant to A.R.S. § 38-431.02, notice is hereby given to the members of the Tusayan Town Council and to the general public that the Tusayan Town Council will hold a meeting open to the public on Wednesday, March 19, 2014 at the Tusayan Town Hall Building. If authorized by a majority vote of the Tusayan Town Council, an executive session may be held immediately after the vote and will not be open to the public. The Council may vote to go into executive session pursuant to A.R.S. § 38-431.03.A.3 for legal advice concerning any matter on the agenda, including those items set forth in the consent and regular agenda sections. The Town Council may change, in its discussion, the order in which any agenda items are discussed during the course of the meeting.

Persons with a disability may request a reasonable accommodation by contacting the Town Manager at (928) 638-9909 as soon as possible.

As a reminder, if you are carrying a cell phone, electronic pager, computer, two-way radio, or other sound device, we ask that you silence it at this time to minimize disruption of today's meeting.

TOWN COUNCIL REGULAR MEETING AGENDA

1. CALL TO ORDER AND PLEDGE OF ALLEGIANCE

2. ROLL CALL

MAYOR GREG BRYAN

VICE MAYOR AL MONTOYA

COUNCILMEMBER BILL FITZGERALD

COUNCILMEMBER JOHN RUETER

COUNCILMEMBER CRAIG SANDERSON

❖ *One or two Council Members may attend by telephone*

3. CALL TO THE PUBLIC FOR ITEMS NOT ON THE AGENDA

Members of the public may address the Council on items not on the printed agenda. The Council may not discuss, consider or act upon any matter raised during public comment. Comments will be limited to three minutes per person.

Members of the audience who wish to speak to the Council on an item listed as Public Hearing should complete a Request to Speak Card and turn it into the Town Clerk. Speakers will be limited to three minutes each.

4. CEREMONIAL AND/OR INFORMATIONAL MATTERS

None

5. CONSENT AGENDA

Items on the consent agenda are routine in nature and will be acted on with one motion and one vote. Public hearing items are designated with an asterisk (). Members of the council or staff may ask the mayor to remove any item from the consent agenda to be discussed and acted upon separately.*

A. Minutes of the Town Council Regular Meeting on 3/5/14

B. Accounts Payable Billings

6. COMMITTEE REPORTS

- A. Update on the Community Park Committee
- B. Update on the Planning and Zoning Commission

7. ACTION ITEMS

- A. Consideration, discussion, and possible approval of funding to place conduit for utility lines for future use from west boundary of Red Feather property to the Trading Post (including under Highway 64)
- B. Consideration, discussion, and possible acceptance of Building Permit Fee Study
- C. Consideration, discussion, and possible approval of, and authorization for the Mayor to sign, the Logan-Luca/Tusayan Ventures LLC Camper Village Authorization letter

8. DISCUSSION ITEMS

- A. Discussion of Election Calendar including Home Rule Option (Alternative Expenditure Limitation)
- B. Discussion of date for next Council retreat day
- C. Discussion of possible Town name change

9. TOWN MANAGER'S REPORT

10. FUTURE AGENDA ITEMS

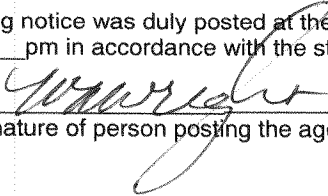
11. COUNCIL MEMBERS' REPORTS

12. MAYOR'S REPORT

13. MOTION TO ADJOURN

CERTIFICATION OF POSTING OF NOTICE

The undersigned hereby certifies that a copy of the foregoing notice was duly posted at the General Store in Tusayan, Arizona on this 13 day of March, 2014, at 1:35 pm in accordance with the statement filed by the Tusayan Town Council.



Signature of person posting the agenda

ITEM NO. 5A

TUSAYAN TOWN COUNCIL REGULAR MEETING
PURSUANT TO A.R.S. 38-431.02 & 38-431.03
WEDNESDAY, MARCH 5, 2014 @ 6:00 PM
TUSAYAN TOWN HALL
845 Mustang Drive, Tusayan, AZ 86023

TUSAYAN TOWN COUNCIL REGULAR MEETING SUMMARIZED MINUTES

1. CALL TO ORDER AND PLEDGE OF ALLEGIANCE

Mayor Bryan called the meeting to order at 6:00 pm and recited the Pledge of Allegiance.

2. ROLL CALL

Upon roll call the following were present:

**MAYOR GREG BRYAN
VICE MAYOR AL MONTOYA
COUNCILMEMBER BILL FITZGERALD
COUNCILMEMBER JOHN RUETER
COUNCILMEMBER CRAIG SANDERSON**

Also present: Will Wright, Town Manager

3. CALL TO THE PUBLIC FOR ITEMS NOT ON THE AGENDA

None

4. CEREMONIAL AND/OR INFORMATIONAL MATTERS

Presentation from John Davison with the Coconino Plateau Water Advisory Council (CPWAC) on a Youth Water Council

John Davison of Coconino Plateau Water Advisory Council gave a Powerpoint presentation about CPWAC and focused on establishing a Youth Council in this area. He urged members of the Town Council and the Grand Canyon School who were present to work with CPWAC in helping to put this Youth Council together. Mayor Bryan indicated the town's willingness to make Grand Canyon School a model in the State for establishing an effective Youth Council to work with CPWAC. John Davison also indicated he would like to come back for another presentation about CPWAC.

5. CONSENT AGENDA

A. Minutes of the Town Council Workshop on 2/5/14, Regular Meeting on 2/5/14, and Retreat on 2/21/14

B. Accounts Payable Billings

Councilmember Fitzgerald asked that the accounts payable be removed from the Consent Agenda. He then asked about the status of the water billing from the leak that occurred late last year, which had been discussed a couple of months ago. Mayor Bryan stated he had recently visited with John Nichols of ADOT about Manager Wright's letter requesting additional information. His response is expected in the near future and the Town will then be able to move forward with this matter. Councilmember Fitzgerald then moved to approve the Consent Agenda. Councilmember Rueter seconded the motion and the vote was unanimous to approve the Consent Agenda.

6. COMMITTEE REPORTS

A. Update on the Community Park Committee

Manager Wright stated the Parks Committee had not met recently but they had decided on a site for the storage yard and building, which the Council would discuss later in the meeting. Further, he had been directed to get with Willdan on obtaining a Storm Water Pollution Prevention Plan (SWPPP) for the sport fields, which was underway. Additionally, Grant Anderson with Willdan is putting a performance bid together for bringing in the dirt to level these fields and to also obtain a SWPPP for the work that will be completed with this part of the project.

B. Update on the Planning & Zoning Commission

Manager Wright explained that the P&Z Commission met on February 25, 2014 and received some minor comments, however, Martha Hahn of the Grand Canyon National Park submitted significant comments that staff needed to review and consider. As a result, the Commission closed the public hearing and will again meet on March 12, 2014 to consider the latest draft, which will include comments from Clarinda Vail and Carolyn Oberholtzer as well as those determined appropriate after a thorough review of the National Park Service submission. It is anticipated that the P&Z Commission will then forward the General Plan to the Council for their consideration, possibly at their March 19th meeting.

7. ACTION ITEMS

A. Consideration, discussion, and possible approval of the Tusayan Community Wildfire Protection Plan (TCWPP)

This document had been presented by Chief Robbie Evans at last month's Council meeting and there had been a few minor changes from other presentations of this plan. He was seeking Council

approval and would be submitting this Plan to the Coconino County Board of Supervisors for their approval. Councilmember Fitzgerald made a motion to approve the TCWPP. Councilmember Rueter seconded the motion and the vote was unanimous to approve the Tusayan Community Wildfire Protection Plan as presented.

B. Consideration, discussion, and possible action on Home Rule Option (Alternative Expenditure Limitation) in the Primary Election on August 26, 2014 or in the General Election on November 4, 2014

After brief comments, Mayor Bryan moved to have the Home Rule Election at the Primary Election of August 26, 2014. Councilmember Rueter seconded the motion and the vote was unanimous for the motion.

C. Consideration, discussion, and possible approval of the Community Park Map with new structures

Manager Wright displayed the park map which he indicated required approval by the Town Council as well as the School Board, since it was a change to the originally adopted park plan. Councilmember Rueter commented that the map was not to scale and felt it should be more accurate if the School Board was going to have to approve it. Councilmember Sanderson thought the location of the buildings was acceptable as a concept and that the map should indicate the storage yard/building was an interim location. Further, he also wanted the second baseball field to be removed and simply put 'future recreational field' on the map rather than attempt to show it not to scale that could lead to confusion going forward with that field. Councilmember Sanderson made a motion to send the map with the above-noted changes to the School Board for their consideration. Councilmember Rueter seconded the motion and the vote was unanimous for the motion.

D. Consideration, discussion, and possible action to direct staff to proceed with the purchase of a storage building for the Community Park

Manager Wright reviewed his memo to the Council outlining prices obtained from Graceland Portable Structures and Weather King Portable Buildings where several steel buildings had been considered. Due to the need to be portable and overall costs, staff recommended going with the Weather King Building at a cost of about \$8,000. After some discussion, Councilmember Rueter made a motion to direct staff to purchase the Weather King Building and make improvements as noted in the staff memo to the building and to extend electrical service at a cost not to exceed \$13,000. Councilmember Sanderson sought

clarification regarding the additional \$5,000 noted in the motion. Vice Mayor Montoya seconded the motion and the vote was unanimous for the motion.

E. Consideration, discussion, and possible approval of funding to place Century Link lines underground, including Highway 64 from Red Feather property to the Trading Post

Manager Wright presented a cost from Century Link of about \$15,000 to put Century Link lines on the west side of Highway 64 underground then to go under the highway in the town's conduit to the poles on the east side by the Trading Post. Further, a cost of about \$26,000 would place the entire section of Century Link lines underground which would remove all overhead lines and poles in that area.

Discussion ensued about simply placing conduit in the open trenches for a far less cost, maybe a few thousand dollars, rather than either of the cost proposals noted above provided by Century Link. Several Councilmembers expressed support for putting the lines underground in order to remove the unsightly poles but acknowledged it should be Century Link performing this work.

The Council directed the Mayor and Manager Wright to solicit Century Link representatives' support for performing this upgrade as an effort to be community minded and to keep the entrance to the Grand Canyon beautiful. Further, it was noted that Arizona Public Service was doing with this project at a cost of a couple of hundred thousand dollars and certainly Century Link has some responsibility to the town and park.

Councilmember Fitzgerald made a motion to have the Mayor and manager work with Century Link officials to get their support for this improvement and to bring this item back to their next Council meeting to report progress in working with Century Link and to consider which option to pursue given their response. Councilmember Rueter seconded the motion and the vote was unanimous for the motion.

F. The Town Council may decide to go into executive session pursuant to A.R.S. 38-431.03.A.3 and A.4 for legal advice from and to consult with, the Town Attorney concerning due diligence regarding the First Town Housing Parcel and closing instructions regarding the same. Following the executive session, the Town Council may elect to go into open session to approve the Title Company's Form Escrow Instructions, approve acceptance of the Deed for the First Town Housing Parcel, authorize the Mayor to sign the First Housing Parcel Deed, and authorize the Town Attorney to submit a closing letter to the title company authorizing the closing on the First Town Housing Parcel.

Councilmember Rueter recused himself from this item due to his employment at Camper Village and left the meeting.

Councilmember Sanderson made a motion to go into Executive Session at 8:02. Vice Mayor Montoya seconded the motion and the vote was unanimous for the motion. The Mayor stated that there would be a five minute recess and that the Council would take action in the open meeting after the Executive Session is concluded.

The Council entered Executive Session and discussed the topic with the Town Attorney via phone. Vice Mayor Montoya made a motion to adjourn the Executive Session at 8:39. Councilmember Sanderson seconded the motion and the vote was unanimous for the motion.

The Council reconvened into open session at 8:42 pm with a brief statement by Mayor Bryan on this item indicating the amendment to the development agreement was the conclusion of many months of negotiations with the Stilo Group.

Vice Mayor Montoya made separate motions for each of the following action items: 1) approve the Title Company's Form Escrow Instructions; 2) approve acceptance of the Deed for the First Town Housing Parcel; 3) authorize the Mayor to sign the First Housing Parcel Deed; and 4) authorize the Town Attorney to submit a closing letter to the title company authorizing the closing on the First Town Housing Parcel. Councilmember Sanderson seconded each of the separate motions and each vote was unanimous for each of the motions. Councilmember Fitzgerald explained that he was not in favor of the overall result of the negotiations with the Stilo Group due to the Town's concessions with zoning. However, he does support the town getting land for public housing, which is why his vote was affirmative for the motions this evening.

8. DISCUSSION ITEMS

Discussion of the date for the next Council retreat day

The date for the next Council Retreat was tabled due to Councilmember Rueter's absence since there was no rush to decide tonight on that meeting date.

9. TOWN MANAGER'S REPORT

Manager Wright indicated the report was in the Councilmember's packet and would be happy to answer any questions they had on it. He did point out that he and the Mayor are meeting with ADOT tomorrow morning on the bus shelters project and answered a question about a meeting with GovNet.

10. FUTURE AGENDA ITEMS

The Council moved the next meeting from March 26th to March 19th.

11. COUNCIL MEMBERS' REPORTS

Vice Mayor Montoya noted that the yield sign on the north end of town had been repaired by ADOT and now the yield sign on the south end of town is down.

Councilmember Fitzgerald stated that there is a sign at the entrance to Superior similar to the one the town requested which was denied by ADOT.

12. MAYOR'S REPORT

Mayor Bryan noted that the meeting with Govnet scheduled for Monday, March 3rd, had been postponed and that they'd be rescheduling it for the near future. The lease language for the tower is currently being revised.

He will be attending a meeting on Friday about progressing on the project to install the bus shelters in town.

13. MOTION TO ADJOURN

Mayor Bryan made a motion to adjourn the meeting at 8:57 pm. Vice Mayor Montoya seconded the motion and it carried unanimously.

ATTEST:

Melissa M. Drake, Town Clerk

Greg Bryan, Mayor

Date

CERTIFICATION

State of Arizona)
) ss.
Coconino County)

I, Will Wright, do hereby certify that I am the Town Manager of the Town of Tusayan, County of Coconino, State of Arizona, and that the above minutes are a true and correct summary of the meeting of the Council of the Town of Tusayan held on March 5, 2014. I further certify that the meeting was duly called and held, and that a quorum was present.

DATED this 11th day of March, 2014

Town Manager

ITEM NO. 7A

TOWN OF TUSAYAN

at the entrance to Grand Canyon National Park

March 11, 2014

Mr. Jim Hagerty, Area Manager
Engineering and Construction for Greater Arizona
Century Link
333 East Wetmore Road
Tucson, AZ 85705

Dear Mr. Hagerty:

It was good to visit with you briefly about our issues in Tusayan. This letter is in follow up to that conversation and the cost estimate Century Link extended to the Town of Tusayan for the placement of a section of Century Link lines underground as well as the removal of utility poles, in conjunction with an upcoming project by the Arizona Public Service (APS) in our community. As we discussed, APS will be putting a section of their overhead lines underground with the idea of removing the utility poles in a project that they have deemed necessary for safety purposes. Further, APS is aware of the town's ongoing efforts to make the community aesthetically pleasing to residents and the approximately 4½ million visitors annually who travel through our town with some staying here while in route to experience the Grand Canyon. This project will remove overhead lines and, we thought, the utility poles at an estimated cost of upwards of several hundred thousand dollars to APS, which is a positive step from the Town's perspective.

This letter is to appeal to Century Link's community-mindedness so that Tusayan, as the entrance to the Grand Canyon, one of the Eight Natural Wonders of the World, can realize its vision and goals for the community. The Vision Statement in Tusayan's General Plan states, "The Town foresees itself as a major entrance and staging center for visitors wishing to visit the Grand Canyon National Park." "The Town not only intends to continue maintaining a sense of community pride through progressive cooperation among its residents, businesses, and government, but also to encourage additional facilities and services to serve the needs of both residents and visitors alike." "This vision of Tusayan includes an attractive, well maintained Town that is family oriented and friendly"

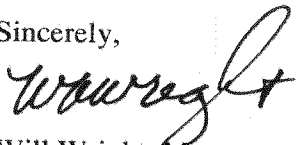
Some of the stated goals in the General Plan, include, 1) "This would tend to indicate a vision of Tusayan as an attractive, welcoming community"; 2) "Improve the appearance of Tusayan from the view of the motoring public"; and 3) "The Town shall encourage APS and providers of communications to place all future utility and communication lines underground, and to continue to place existing lines underground wherever possible." In short, town officials and the community place a high value on keeping Tusayan well maintained and beautiful by encouraging cooperation among businesses to do their part to keep Tusayan a show place and a high quality host to the many visitors traveling through and staying here on their visit to the Grand Canyon.

As you may or may not be aware, during the planning and renovation of our Main Street, Highway 64, the utility companies were asked to place conduit under the highway for future removal of overhead lines and other uses. At that time APS participated while Century Link declined, forcing the town to take initiative to place additional conduits under the highway at the town's expense. Now when it appears that these utility poles will be removed by APS at their expense, we find out that Century Link again is declining to participate which would leave the overhead lines and poles in place. We find it disappointing that Century Link, who takes pride in championing and serving rural Arizona, is considering not taking advantage of this safety and beautification opportunity.

It is for these reasons that Town officials respectfully request Century Link to participate in placing its lines underground so that the utility poles in the center of town could also be removed with the upcoming APS project. It would be short-sighted, in our opinion, not to take advantage of the open trench that would allow Century Link to remove not only the overhead lines, but the utility poles in the heart of our community. The town is certainly willing to assist in this effort, but feels strongly that Century Link needs to do its part, as an important business member of our community. This is an important step in beautifying the primary entrance to Grand Canyon National Park and are surprised that Century Link doesn't see itself as a true partner in this effort, which will go a long way to assist the Town in realizing its vision and goals to make Tusayan 'an attractive, welcoming community'.

I appreciate your consideration of this request and are open to discussing this project with you, since time is of the essence. I look forward to hearing back from you soon on this matter.

Sincerely,



Will Wright, Manager
Town of Tusayan

Cc: J. David Meyers, Mayor Bryan and Town Council, Grand Canyon Chamber and Visitors Bureau

ITEM NO. 7B

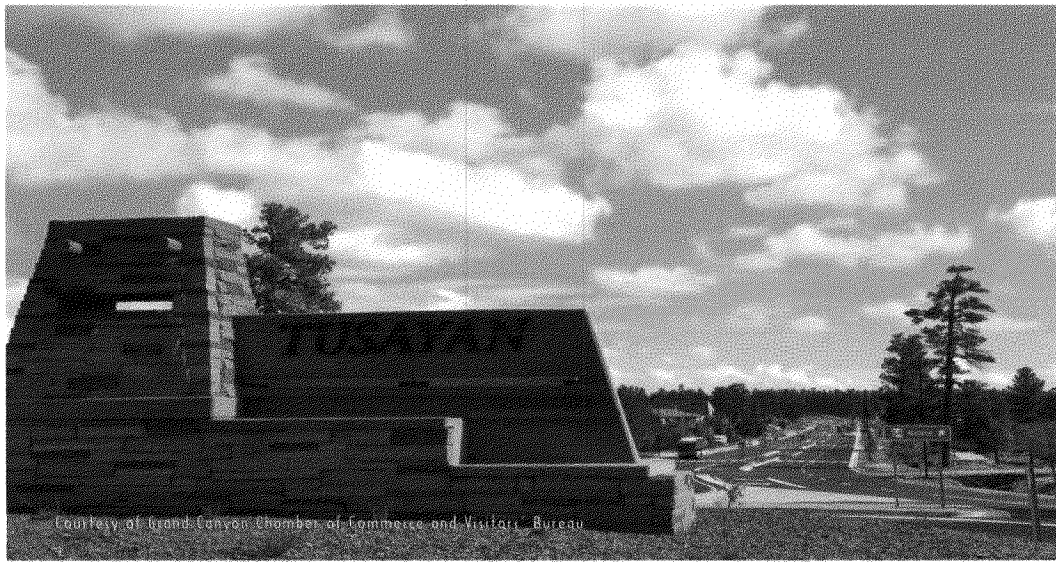
PAT WALKER CONSULTING & HEINFELD, MEECH & CO. P.C.

Building Permit Process Review

Findings & Recommendations

Pat Walker & Cherie Wright

2/28/2014



This document is a review of the Town of Tusayan's building permit processes that are provided by Willdan Engineering as well recommendations moving forward.

Executive Summary

In June of 2013, the Town of Tusayan (Town) retained the firms of Pat Walker Consulting LLC (PWC) and the consulting division of Heinfeld, Meech & Co. P.C. (H&M) as a sub-consultant to review the existing building permit process and fees and to provide recommendations for updated fees and fee structure.

The review and analysis would include the following steps:

- Conduct an analysis of the services provided by Willdan Engineering for the building permits/inspection and plan review process to the Town and identify how fees are calculated and the basis for the fee calculation;
- Perform a building-related fee study (if possible);
- Recommend alternative building/planning permit/related fee structure;
- Review of the building permit fee structure and fees for three other jurisdictions; and
- Present results to the Town's management and the Town Council.

Summary of Work Completed

The analysis of the building permit process and related fees required extensive analysis of a portion of the Town of Tusayan's building permits issued for fiscal years 2011-12 and 2012-13, the fees that were estimated versus collected for each permit, the accounting of the fees from spreadsheets provided by Willdan Engineering, and the Town's general ledger. Overall, we received documentation for 17 permits that we analyzed in detail and required in-depth review of the backup detail of the permit submittals and reconciliation of the numbers to the issued permits.

The total amount of permits issued for those fiscal years. This report will explain our findings, but the reader should not lose sight of the number of permits examined or the amount of the overall revenues collected. In summary, the discrepancies could be a result of not having the necessary documentation to understand why the discrepancy took place or the thought process behind it. Others could be that with a fast paced environment, collecting and retaining all of the documentation in one place can be a challenge. As you can see in our analysis, we cannot point out any material discrepancy, nor is there anything to point to that these were conscious mistakes. Willdan Engineering expressed on many occasions that they were doing the best they could to assist the Town with their building development in an efficient manner to insure that the Town of Tusayan was building a high quality and safe community.

There were six components covered during our review of the permit documentation:

- Determination of the estimated valuation;
- Calculation of the permit/inspection fee;
- Calculation of the plan review fee;
- Calculation of the Town portion of the plan review fee; and
- Documentation of customer payments and reconciliation to the Town's general ledger.

Town of Tusayan
Building Permit Review Process

A high level summary of our findings of the 17 building permits reviewed is presented in Table 1 below. Further descriptions of the findings are contained in the report.

Table 1

Type of Issue	Estimated Valuation	Permit/ Inspection Fees	Total Plan Review Fee	Town Portion of Plan Review Fee	Documentation of Customer Payments
Alternative valuation table used	3				
Valuations not documented or valuation not used	14				
Calculation using Willdan Engineering agreement rates		12			
Calculation not known or alternative valuation table		5			
No plan review fees required			6	6	
Willdan Engineering calcs using alternative valuation table or unknown			11		
Calculated correctly at 15% of Plan Fee				9	
Undocumented or not remitted				2	
No documentation for payment					7
Documentation provided					10
Totals	17	17	17	17	17

We also compared the information on the building permit/inspection and plan review fees collected by Willdan Engineering to the Town's general ledger or "books." There were seven that we were able to reconcile to the Town's general ledger, one that we were unable to find backup documentation, three that were for FY14 that would not be on the Town's general ledger for FY13, and six that were not required to pay a plan review fee.

Summary of Findings

The following is further details of the findings reflected in Table 1 by the five components of the building review/inspection and plan review fee analysis.

Estimated Valuations

As will be further explained in the detailed report, a valuation (average cost of construction) of each project needs to be determined in order to calculate the appropriate building permit/inspection and plan review fees. In some cases in Tusayan, the valuation was estimated based on an International Building Code (IBC) Valuation Table which provides per square foot values based on building category (residential, restaurant, education, etc.) and type of construction (wood frame, concrete frame/masonry walls, etc.). In other cases, the applicant for the building permit may provide their own project cost estimate.

If the project cost estimate seems reasonable in the Building Official's opinion¹, this is the amount used for calculation of the estimated building permit/inspection and plan review fees. For many of these, we received copies of the customer's building permit application on which they indicated an estimated valuation. In some cases, we did not receive documentation as to how the estimated valuation was determined, whether obtained from the customer or estimated in some other manner. The calculations seemed reasonable but documentation should be obtained and retained for each permit in the future.

In our review of other communities, the majority use building valuation tables in their calculations for the building permit/inspection fees. Valuation tables are updated by the ICC every six months, but each community needs to decide the best valuation table to use for their area and if it is comparable to surrounding communities. In addition, there may be numerous inspections required depending on the type and complexity of the project.

Permit/Inspection Fees

For certain projects, the permit/inspection fees were calculated based on a fee table that uses the estimated valuation to determine the fee amount. It was unclear what fee table was used by Willdan in many instances. When the fee table was not used, Willdan calculated the permit/inspection fees based on fixed or hourly rates per the agreement between Willdan and the Town. The fixed rates are based on

¹ If the project estimate seems in inaccurate in the opinion of the Building Official when they review the plans, they will meet with the applicant and look at backup documentation.

full-day or half-day fee. In some cases, customers were charged half of the half-day fee which Willdan Engineering uses when they anticipate multiple inspections will be conducted during one trip.

In some cases, we did not receive documentation as to how the permit/inspection fees were calculated, and we were unable to recalculate those fees. Willdan Engineering may have documentation but due to time constraints, we moved forward with finalizing this report.

Plan Review Fees

Of the projects we reviewed, several had no plan review involved, only an inspection. When a plan review is performed, the standard fee calculation is 65 percent of the permit/inspection fee. In some cases, Willdan Engineering charged an hourly fee per the agreement with the Town.

For some of the projects reviewed, we did not receive documentation as to how the plan review fees were calculated, and we were unable to recalculate those fees. Again, the documentation may be there but due to time constraints, we moved forward with finalizing this report.

Town Portion of Plan Review Fee

According to the contract with Willdan Engineering, the Town receives 15 percent of all plan review fees. In many cases, we were able to recalculate and reconcile the 15 percent Town portion. In one instance, the Town portion exceeded the 15 percent, and in another instance, the Town portion was not calculated or submitted to the Town. Again, this does not necessarily mean there was an error; we were just unable to review the supporting documentation.

Comparable Jurisdiction Information

We conducted a review of the building permit fee structure and fees for three other jurisdictions; Coconino County, City of Williams and the City of Page. All three jurisdictions used basically the same methodology of determining the amount of building permit/inspection fees. All three jurisdictions have adopted Building Valuation Data (BVD) that provides the average construction cost that they feel is most consistent with the cost of construction in their community. In looking at numerous other jurisdictions in the State of Arizona, that was also the case. What was not always consistent between the communities was the average cost of construction depending on the building type. However, they were very close. The BVD from the City of Williams, City of Page and Coconino County are attached to the detailed report for your review.

In addition, all three jurisdictions had a similar structure for the building related fees and were adopted by Council. The structure is to charge the fee per square foot depending on the value of the construction or improvement within ranges. The City of Page and Coconino County had the exact valuation ranges; for example, \$25,001 to \$50,000, \$50,001 to \$100,000, etc. and the City of Williams had slight differences in the ranges for the fees. In theory, the building permit/inspection and plan review fees are to cover the costs to perform the services associated with building code compliance. It is

the decision of each jurisdiction to determine if they wish to cover 100% of their cost through fees, or a lower percentage that is then subsidized by the General Fund.

Each of the three comparable jurisdictions had similar building permit/inspection fees for a project valued between \$100,001 to \$500,000 ranging from \$967.89 to \$1,027 for the first \$100,000 plus ranging from \$5.23 to \$7.00 for each additional \$1,000 of valuation up to and including the \$500,000. Again, all three had adopted fee schedules by Council. The differences were based on the valuation of the improvements (average construction costs) and slight differences in the fee schedules. In all three jurisdictions, valuation tables and fee schedules were adopted by Council.

Recommended Process Improvements

There is a common theme through this entire analysis which is “consistency and documentation.” Whatever valuation table or fee schedule is adopted by Council, (and they should be adopted by Council), that amount should be used (or compared to applicant’s estimates) unless there are extenuating circumstances that are documented by each building permit. We recognize there is building official expertise required to determine the extent of the review or inspections by project, but again these differences should be documented and consistent with the process. This documentation will give the Town a clear understanding on how the building permit/inspection and plan review fees were calculated and the Town will be able to reconcile this information to the general ledger and answer questions for its customers. A summary of recommendations follows for the five areas summarized in Table 1.

Valuations

- Identify when either the valuation tables or a customer valuation estimate should be used.
- When valuation tables are not appropriate, require documentation from the customer to support the valuation estimate provided.
- Documentation of the valuation calculations should be retained. If an estimate is provided by the customer, require and retain documentation from the customer.
- Identify when fees are dependent on valuations and when a fixed or hourly fee will be used.
- The Town should formally adopt the valuation table to be used, specify the alternate valuation calculations that should be made (e.g., tenant improvements), and identify when the table would be used and when a customer should submit valuation documentation.

Fee Calculations

- The Town should formally adopt a fee schedule to be used and identify when fees are dependent on valuations and when a fixed or hourly fee will be used. We have provided three fee schedules from surrounding communities that the Council could consider for adoption.
- Documentation should be retained when multiple inspections are necessary.
- If a daily permit/inspection fee will be split amongst multiple customers, documentation should be retained regarding the customers serviced during that day.

Town of Tusayan
Building Permit Review Process

- The factors for drive time and mileage included in the daily rate should be adjusted when multiple customers are serviced within a day.
- Internal controls should be in place to reduce errors in fee calculations and the amounts documented on the various forms.
- Documentation of the fee calculations should be retained.
- If the Town will be monitoring the process, the individual assigned will need some building related technical knowledge to understand when and what fees are to be charged.

Town Portion of Fees

- While the 15 percent calculation may be accurate, if the Town will be monitoring the process, the individual assigned will need some technical knowledge to understand when and what fees are to be charged to ensure the 15 percent Town portion is based on a correct total plan review fee.
- Internal controls should be in place to reduce the errors in fee calculations and the amounts documented on the various forms.
- Documentation of the fee calculations should be retained.
- If the Town collects the fees directly, unremitted fees can be avoided.

Customer Payments

- If Willdan Engineering continues to collect the fees, documentation should be provided both to the customer and the Town on how the fees are calculated and what the amount of the fees are.
- If the Town collects the fees directly, documentation should be retained to support the fees collected and ensure amounts are properly reported.

Revenues for building permit/inspection fees are paid directly by the customer to Willdan Engineering and not recorded on the Town's general ledger. Plan review fees are based on 65% of the calculated building permit/inspection fee. Of the 65% collected, 85% of the fee remains with Willdan Engineering and 15% is paid to the Town of Tusayan. We are recommending that beginning on July 1, 2014 for fiscal year 2014-2015, the Town record all building permit/inspection and plan review fees as revenues, and then record as an expense the amount that is distributed to Willdan Engineering. This will allow the Town to ensure appropriate fees are requested and collected and the appropriate allocation of the fees is occurring between the Town and Willdan Engineering.

We also requested a detailed listing of revenues collected by Willdan Engineering for fiscal years 2011-12 and 2012-13 as well as the Town's detail general ledger report of the plan review fees remitted during fiscal year 2012-13. There were discrepancies between the revenue report provided by Willdan Engineering and what was recorded on the general ledger but the majority of reconciling items were not material to the financial statements. Reconciling items would include the timing of the postings and a variety of fees collected not related to building permit/inspection fees. In the future, it is recommended that general ledger revenue accounts of the same type, such as building permit/inspection fees should be in a separate revenue account to be able to track the various fee types.

There were also a few inconsistencies in how amounts are listed on the Willdan Engineering building permit/inspection forms and the Willdan Engineering revenue listing. In some cases the plan review fee amount is the total fee, and in some cases it is the Willdan Engineering portion of the plan review fee even though the fee may have been calculated correctly. In some cases the total Willdan Engineering portion is truly the Willdan Engineering portion, and in some cases it is the total fee including the Town portion. The forms and reports should be clearly labeled and consistently used to minimize the possibility for errors.

Recommendations

To summarize, there are four major recommendations for the Town of Tusayan to consider.

- 1) Develop Request for Proposal (RFP)
- 2) Require Deposits for Building Permit/Inspection and Plan Review Fees
- 3) Adoption of IBC evaluation table and comparable fee schedule by Council
- 4) The Town collect and record the revenues and expenditures for the building permit/inspection and plan review fees

RFP

During this review and analysis of the building permit/inspection and plan review fees, we were unable to develop the true cost of providing the service of building code compliance without conducting a full financial audit of each transaction compared to what Willdan Engineering's costs were. Even if this was done, it still would not address the service level that the Town of Tusayan would want to provide to its customers moving forward as well as the level of service that the Town should be receiving from its third party contractor.

In addition, during our review we were not able to see a consistent application of the valuations of the projects and how the fees were calculated. Again, we are not indicating that the fees were calculated incorrectly, we just did not have all the documentation to understand how they were developed and to verify the calculations.

It is our recommendation that the Town develops a request for proposal for building permit/inspection and plan review services. This will allow the Town to define the services the City wants² at the level the Town desires and evaluate them by cost. This will also assist in the Town gathering the information it needs to be able to set the building permit/inspection and planning review fees to either cover the total cost of the outside party providing the service, the Town's cost for collection and reconciling of the fees, and what if any funds from the Town's General Fund will be used to subsidize the fees.

² At the January 22, 2014 Town of Tusayan Council meeting, Mayor and Council requested additional information regarding proposed service levels for the building permit/inspection and plan review processes to include in the RFP. Attachments E-H are service level goals, current service levels, and other statistics relating to the building permit/inspection and plan review process for the City of Phoenix and the City of Glendale.

Town of Tusayan
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The Town may also consider partnering the building permit/inspection and plan review processes with neighboring cities, towns or counties through potentially an intergovernmental agreement or response to an RFP³.

Service level standards that could be considered by Council for inclusion in the RFP are as follows to service the Town's customers are:

- Plan review turnaround times (building, civil and site plans);
- Inspection turnaround times;
- Turnaround times for issuance of building permit;
- Response times for customer contact once application is submitted;
- Length of time to return customer calls/emails;
- Proposed fee structure for expedited plan review/building permit/inspection issuance;
- Required inspections to be included in fee versus re-inspection fees; and
- Communication plan to customer on status of application.

Service level standards that either a third party firm or partnering entity should provide to the Town are as follows:

- Submission of monthly status reports provided by the Town by a specific date the following month;
- Specific information/statistics to be provided to Town to track activity levels and monitor performance (Attachment F example);
- Reconciliation report of estimated fees versus final fees;
- List of applications received on a monthly basis and status of outstanding applications;
- Resolution process if issue with turnaround times, other issues;
- Recommended building valuation schedule with source identified;
- Recommended building permit/inspection fee schedule (we recommend City of Page and/or Coconino County);
- Backup documentation to be provided to Town in electronic format and timeframe for supplying the documentation (i.e. application, plans, valuation of project and source, calculations of fee estimate, final fee calculations, inspections required, etc.);
- Electronic access for Town to see status of applications;
- Process of how Town can directly receive revenues and remit expenses to the third party or governmental entity that will provide the services;
- Clearly outline Town directed policies and provided process and procedures for the building inspection/permit and plan review process and provide flow chart;
- Provide information for the Town's website to assist customers with understanding the building inspection/permit and plan review process;
- Identify building officials, inspectors, project manager that will be working on behalf of the Town of Tusayan and require timely notification if changes in staffing is made;
- Recommended deposit for applicants based on type of project; and
- Provide training and coordinate building inspection/permit process with Town.

³ Whether an intergovernmental agreement or the RFP process would be used for determination of partnering with another governmental entity should be determined by the Town's attorney.

Deposits for Fees

Many communities charge a minimum deposit for their building permit/inspection and planning review fees depending on the value of the project and the estimated fees. As part of the RFP process, we are recommending that the Town consider this as it will give the customer a preliminary fee estimate, allows the Town to collect a portion of the fees upfront, and will give further accountability by having to reconcile the deposit to actual fees when the permit is issued.

Adoption of Evaluation & Fee Schedules

As outlined in the summary findings, the City of Page, City of Williams and Coconino County all have approved Building Valuation Tables originated from various adopted versions of the IBC. The valuation tables for all three jurisdictions were similar per valuation per square foot for residential, but not exactly the same. It is recommended that the Town through the RFP process establish the building valuation tables and the Council formally adopt them.

It is also recommended the Town consider a fee schedule similar to the City of Page and Coconino County until a fiscal year of activity can be tracked to determine if a different fee schedule would need to be adopted specific to the Town of Tusayan.

Collection & Recording of Fees

As described in the summary findings, we are recommending that beginning on July 1, 2014 for fiscal year 2014-2015, the Town record all building permit/inspection and plan review fees as revenues, and then record as an expense the amount that is distributed to or retained by Willdan Engineering. This will allow the Town to ensure appropriate fees are requested and collected and the appropriate allocation of the fees is occurring between the Town and Willdan Engineering. While the amount may not be material to the financial statements, it will comply with generally accepted accounting principles and provide information regarding the total revenues generated by the building permit process to assist with any future business decisions and analysis.

Detailed Report

Introduction

In June of 2013, the Town of Tusayan (Town) retained the firms of Pat Walker Consulting LLC (PWC) and the consulting division of Heinfeld, Meech & Co. P.C. (H&M) as a sub-consultant to review the existing building permit process and fees and to provide recommendations for updated fees and fee structure. As a result, the Town hired an experienced governmental services team. This project was accomplished by taking a team approach of combining the governmental and accounting experience and expertise of two firms: Pat Walker Consulting LLC and Heinfeld, Meech & Co. P.C.

PWC is an Arizona based firm with over 36 years "hands on" experience in municipal finance, management, and planning services and has worked with municipalities throughout the United States. The key to a successful project is listening to the needs of each community, creating a variety of problem resolutions, and collaborating with the client to bring a solid solution.

H&M is the industry leader for governmental services in the State of Arizona, currently providing consulting and audit services to over 200 governmental entities. The firm is a member of the American Institute of Certified Public Accountants (AICPA) Governmental Audit Quality Center, which is committed to the highest standards of quality in governmental audits.

Background of Project

The Town of Tusayan, located at the south entrance to the Grand Canyon National Park, incorporated in 2010. Currently there are approximately 600 people living in the Town of which the majority work at the Grand Canyon National Park, National Forest Services, utility company and district, and variety of local businesses. There are many hotels and restaurants that serve the tourists that come to the National Park each year, but housing is currently limited.

As a recently incorporated municipality, the Town's administrative infrastructure had to be developed rapidly. As a result, Town leadership made the decision to initially outsource its development-related functions, including engineering, planning, building and code enforcement services. Willdan Engineering was selected to provide those services in 2010.

The contract with Willdan Engineering was for a three year period with automatic one year extensions unless either party gives notice in writing at least 90 days prior to the succeeding term. To be prepared for the future, it is a proactive, opportune time for the Council to review the building permit/inspection process, fees and fee structure to determine the best course forward. With the economic recovery underway, it will become even more important to ensure there is an efficient and effective building permit process in place that recovers the Town's expenses and provides the best service to its customers. In order to accomplish this, the following scope of work was approved by the Mayor and Council.

Scope of Work

The scope of work for this engagement is understood to be as follows:

- Conduct an analysis of the services provided by Willdan Engineering for the building permit/inspection and plan review process to the Town and identify how fees are calculated and the basis for the fee calculation;
- Perform a building-related fee study (if possible);
- Recommend alternative building permit/inspection and planning related fee structure;
- Review of the building permit fee structure and fees for three other jurisdictions; and
- Present results to the Town's management and the Town Council.

The consulting team utilized proven, objective methodologies to conduct an analysis of the building permit/inspection fee process and provides our experience to advise the Town regarding the development of reasonable potential fees. This information can be used by the Town's officials to make a more informed decision and set fees based on the Town's fiscal and policy goals and objectives. The achievement of these objectives is based on the information received from the Town and Willdan Engineering.

Building Permit (Inspection) and Plan Check (Review) Fees

Within local communities, building permits are required to ensure the performance of specific building activities according to the International Building Code (IBC) developed by the International Code Council (ICC) in order to maintain safety standards and the quality of construction. For issuance of building permits, local communities charge fees. These building permit fees are often also known as inspection fees because there are required inspections throughout the project to ensure compliance with the building codes, in addition to fees associated with plan review. Fees are assessed to cover the costs of administration, review, and providing the inspections throughout the process.

Jurisdictions commonly assess building permit/inspection fees based on a formula using an average cost of construction per square foot depending on the type of building and the geographic location. The IBC provides in Section 109.3 an average construction cost per square foot for a variety of building types and is provided as an "aid" to be used in calculating building valuations for building permit/inspection fee purposes. It also provides a list of minimally required inspections for footings, foundations, under slab, framing, drywall, fire stopping and final. It is important to note that not all construction/remodeling projects require all the inspections, and others may require additional inspections. Currently, the ICC updates the building valuation data every six months but many jurisdictions that are still using the 2006 Building Valuation tables as a guide in calculating fees.

Section 109.2 of the IBC outlines permit fee schedules that many jurisdictions adopt. Many jurisdictions are still using the 1997 fee schedules to keep their permit fees low, but it may not cover their costs. However, each jurisdiction should develop the fees that cover their costs to provide the building construction services needed for their particular community. IBC has a formula called a "permit fee multiplier" that could be used in covering a percentage of a jurisdiction's cost to provide the building related services. It is not uncommon for a city/town to subsidize the fee through general fund revenues. However, it is just a guide to use and a municipality should determine its own fee structure and policies regarding the subsidization of the fees.

Town of Tusayan
Building Permit Review Process

The Town of Tusayan has had a policy that any new development or work requiring a building permit not be a burden on the Town but be paid by the person acquiring the permit. The Town receives no revenues from building permit/inspection fees as it is passed on to the customer and paid directly to Willdan Engineering for services.

In addition to building permit fees, there are plan check or review fees that are assessed by the Town for plan review that equates to 65% of the calculated building permit/inspection fees. Of the 65% collected, 85% is directly paid to Willdan Engineering and 15% of the fee is remitted to the Town to cover a portion of administrative costs. Listed below is a simple example to demonstrate the fee calculations. Please refer to Attachment A1 which is "TABLE A: BUILDING SAFETY VALUATION-BASED PERMIT FEE" table and Attachment A2 that is titled "BUILDING VALUATION TABLE" that was provided by Willdan Engineering for the basis of a portion of their building permit/inspection fee calculations.

If a single family home construction value is \$100,000, and there is no unusual circumstances associated with the project, the building inspection/permit and plan review fee would be as follows:

- The first \$50,000 would be \$551
- the next \$50,000 value calculated at \$7 per \$1,000 value, for an additional \$350
- total building permit fee= \$901
- The plan check fee would be 65% of the building permit fee: \$901 times 65%=\$586

Willdan Engineering would receive the entire building permit fee of \$901 plus 85% of the \$586, or \$498.10, and the Town would receive the remaining 15% of the \$586 or \$87.90.

This is a straightforward example, but unfortunately most building permits are not straight forward. For example, in Willdan Engineering's Consultant Agreement, they can charge up to four hours travel time at an hourly rate of an inspector, plus one way mileage, plus a minimum of four hours of inspection time. The number of inspections performed during the time they are in Tusayan will impact the total fee charged to the customer. Commercial building permits and remodeling are also examples that are not straightforward depending on the complexity and types of construction.

Summary of Work Completed

As described in the Executive Summary, the analysis of the building permit process and related fees required extensive analysis of a portion of the Town of Tusayan's building permits issued between fiscal years 2011-12 and 2012-13, the fees that were estimated versus collected for each permit, and the accounting of the fees from spreadsheets provided by Willdan Engineering and the Town's general ledger. Overall, we received documentation for 17 permits that we analyzed in detail and required an in-depth review of the backup detail of the permit submittals and reconciliation of the numbers to the issued permits.

The total amount of permits issued for fiscal years 2011-12 and 2012-13 is unclear because we did not receive documentation for all the permits issued for those fiscal years. This report will explain our findings, but the reader should not lose sight of the number of permits examined or the amount of the

Town of Tusayan
Building Permit Review Process

overall revenues collected. In summary, the discrepancies could be a result of not having the necessary documentation to understand why the discrepancy took place or the thought process behind it. Others could be that with a fast paced environment, collecting and retaining all of the documentation in one place can be a challenge. As you can see in our analysis, we cannot point out any material discrepancy, nor is there anything to point to that these were conscious mistakes. Willdan Engineering expressed on many occasions that they were doing the best they could to assist the Town with their building development in an efficient manner to insure that the Town of Tusayan was building a high quality and safe community.

There were five components covered during our review of the permit documentation:

- Determination of the estimated valuation;
- Calculation of the permit/inspection fee;
- Calculation of the plan review fee;
- Calculation of the Town portion of the plan review fee; and
- Documentation of customer payments and reconciliation to the Town's general ledger.

A high level summary of our findings of the 17 building permits reviewed is presented in Table 1 on the next page. Further descriptions of the findings are contained in the report.

Table 1

Town of Tusayan
Building Permit Review Process

Type of Issue	Estimated Valuation	Permit/ Inspection Fees	Total Plan Review Fee	Town Portion of Plan Review Fee	Documentation of Customer Payments
Alternative valuation table used	3				
Valuations not documented or valuation not used	14				
Calculation using Willdan Engineering agreement rates		12			
Calculation not known or alternative valuation table		5			
No plan review fees required			6	6	
Willdan Engineering calcs using alternative valuation table or unknown			11		
Calculated correctly at 15% of Plan Fee				9	
Undocumented or not remitted				2	
No documentation for payment					7
Documentation provided					10
Totals	17	17	17	17	17

We also compared the information on the building permit/inspection and planning review fees collected by Willdan Engineering to the Town's general ledger or "books." There were seven that we were able to reconcile to the Town's general ledger, one that we were unable to find backup documentation, three

Town of Tusayan
Building Permit Review Process

that were for FY14 that would not be on the Town's general ledger for FY13, six that were not required to pay a plan review fee.

In June of 2013, PWC and H&M met with Interim Town Manager, Tami Ryall from Interim Public Management (IPM) to discuss the objectives of the project, understand how the building permit/inspection and plan review process currently is administered, the history of any issues the Town has had with the building permit process and related fees, and the financial and building permit information available.

In July of 2013, PWC and H&M met with Roger Brooks from Willdan Engineering who administers the building permit process for the Town of Tusayan. At this meeting, we discussed Tusayan's building permit process in detail to gain an understanding of the current process and requested copies of the backup of the building permits issued in fiscal year 2012 and 2013. The current building permit process described by Willdan Engineering is as follows and is depicted on a business flow chart on Attachment B:

- Customer desiring building permit contacts Willdan Engineering via the website or calls them directly to receive application for permits;
- Customer completes application and submits plans for review;
- If submittal package is complete, Willdan Engineering begins plan review process. If incomplete, Willdan Engineering sends back to customer to complete;
- Plan review fees (which includes inspections and plan check fees) are calculated by Willdan Engineering based on a methodology using published building valuation tables and/or their direct costs and given to customer as an estimate;
- Once plan review is complete, results are given to customer. If plans are approved, a permit is approved and issued. If the plans are not approved, the plans are returned to customer requesting additional information required. Process continues until plans are approved, fees are paid by customer, and building permit is issued.

An additional service that may be performed by Willdan Engineering associated with the building permit/inspection process is outlined in the "Agreement for Consultant Services" (Agreement), between the Town and Willdan Engineering. This agreement was dated "December 2010" but we did not have a copy that had a final signature date.

How the fees had historically been calculated was also discussed in detail. This item required the most backup from Willdan Engineering & Associates. In the Agreement, Exhibit B (Attachment C) is the Fee and Payment Schedule that outlines the various fees Willdan Engineering charges customers.

Willdan Engineering explained at this meeting that the fees were calculated based on the International Building Code Valuations and the fee schedule used by the City of Phoenix with a comparison to their estimated actual costs to provide the services. If they calculated that the costs were higher than the fees calculated by the schedule, they would charge based on an hourly rate per their contract to recover the costs of providing the services. In any case, Willdan Engineering explained that fees can vary greatly depending on type of project and whether plan reviews or additional inspections are needed. In order to gain a greater degree of understanding based on the variety of building permits issued in the Town, the consultant team asked for the calculations and spreadsheets for all building permits issued in fiscal year 2012 and 2013.

In July 2013, Willdan Engineering initially provided documentation for 15 permits issued between September 2012 and July 2013. After a great deal of analysis and based on the fee schedules provided, we were unable to verify all the calculations of the fees in the sample documents provided. Therefore, we requested additional documentation to support the calculation of fees and scheduled a meeting for August 22, 2013 between Roger Brooks at Willdan Engineering, PWC, H&M and Tami from IPM to go over our findings to date and seek clarification on the fee calculations.

At the August 22, 2013, Pat Walker, Cherie Wright and Tami Ryall met with Roger Brooks from Willdan Engineering to discuss analysis and findings to date. During this meeting discrepancies between the calculated fees based on the 2006 IBC valuations and Phoenix fee schedule versus the fees that were charged on the Tusayan building permit/inspection fees were discussed. Additional back up information was requested. In September 2013, Willdan Engineering provided additional documentation for 11 of the 15 permits originally provided and documentation for two additional permits. In addition, detailed calculations were provided for five of the permits. Listed below is the result of our analysis of the permits.

In addition, we noted some inconsistencies in how amounts are listed on the Willdan Engineering forms and the Willdan Engineering revenue listing. In some cases the plan review fee amount is the total fee, and in some cases it is the Willdan Engineering portion of the plan review fee. In other documents the total Willdan Engineering portion is truly the Willdan Engineering portion, and in some cases it is the total fee including the Town portion. In any case, these discrepancies are not material.

On October 9, 2013 a final meeting was held with Roger Brooks from Willdan Engineering and Tami from IPM to discuss the discrepancies we found with building permit/inspection and plan review fees. We discussed the issues we were having with reconciling costs versus fees charged and how the Town needs this information moving forward in setting up a fee structure and determining what the fees should be. We also discussed our recommendation that the Town directly record all the revenues received from the customer for building related fees and also the expenses for the services provided by Willdan Engineering.

At this meeting, we also requested a detail listing of revenues collected by Willdan Engineering on behalf of the Town of Tusayan for fiscal years 2011-12 and 2012-13 and a Town detail general ledger report of the plan review fees remitted during fiscal year 2012-13. The purpose was to look at the total revenues collected by Willdan Engineering versus what was distributed to the Town. In fiscal year 2011-12, Willdan Engineering reported total revenues in the amount of \$135,268.20 received from the Town for a variety of Engineering, planning services, and \$126,936.65 received from the Town in fiscal year 2012-13. Of the \$135,268.20 received in fiscal year 2011-12, \$20,744 were for building permit/inspection and plan review fees and of the \$126,936.65 in fiscal year 2012-13, \$42,740 were for building permit/inspection and plan review fees. The remaining balance was paid to Willdan for engineering services for Town projects, planning services and code enforcement. A further breakdown of fees is provided in Table 1.

The detailed listing of building permit/inspection and plan review revenues collected by Willdan Engineering for fiscal years 2011-12 and 2012-13 are on Table 1. Based on the Willdan Engineering information provided, the Town's permit/inspection and plan review revenues and quantities are as follows:

Table 1 (Unaudited)

Comparison of Revenues			
Fee Type	FY 2011-12	FY 2012-13	% Increase
Permit/Inspection Fees	\$ 13,796	\$ 28,944	110%
Total Plan Review Fees	\$ 6,948	\$ 13,796	99%
Willdan Portion	\$ 6,329	\$ 12,413	96%
Town Portion	\$ 619	\$ 1,383	123%
Total Fees	\$ 20,744	\$ 42,740	106%

From fiscal year 2011-12 to fiscal year 2012-13, the total revenues for permit/inspection fees and plan review fees have more than doubled.

Table 2(Unaudited)

Percentage of Revenues		
Fee Type	FY 2011-12	FY 2012-13
Permit/Inspection Fees	67%	68%
Total Plan Review Fees	33%	32%
Willdan Portion	31%	29%
Town Portion	3%	3%
Total Fees	100%	100%

The Town receives 15 percent of the plan review fees only. Willdan Engineering retains 100 percent of the permit/inspection fees. The Town portion represents 3 percent of the total permit/inspection and plan review fees collected.

Table 3 (Unaudited)

Comparison of Fee Quantities			
Fee Type	FY 2011-12	FY 2012-13	% Increase
Permit/Inspection Fees	10	25	150%
Total Plan Review Fees	10	18	80%
Total Fees	20	43	115%

From fiscal year 2011-12 to fiscal year 2012-13, the total number of permits/inspections and plan reviews has more than doubled.

Table 4(Unaudited)

Fee Ranges						
Fee Type	FY 2011-12			FY 2012-13		
	High	Average	Low	High	Average	Low
Permit/Inspection Fees	\$ 5,678	\$ 1,380	\$ 270	\$ 5,973	\$ 1,158	\$ 187
Total Plan Review Fees	\$ 2,181	\$ 702	\$ 150	\$ 2,876	\$ 776	\$ 150
Willdan Portion	\$ 2,015	\$ 633	\$ 128	\$ 2,445	\$ 690	\$ 128
Town Portion	\$ 166	\$ 69	\$ 22	\$ 431	\$ 86	\$ 22

Town of Tusayan
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The average permit/inspection fee paid during fiscal year 2012-13 was \$1,158, and the average plan review fee paid during fiscal year 2012-13 was \$776. The combination of the above permit/inspection fee ranges and plan review fee ranges does not necessarily indicate the totals by customer, since not every inspection involves a plan review and not every plan review results in an inspection.

Table 5(Unaudited)

High Fee Relative to Total Revenue						
Fee Type	FY 2011-12			FY 2012-13		
	High Fee	Total Revenue	% of Total	High Fee	Total Revenue	% of Total
Permit/Inspection Fees	\$ 5,678	\$ 13,796	41%	\$ 5,973	\$ 28,944	21%
Total Plan Review Fees	\$ 2,181	\$ 6,948	31%	\$ 2,876	\$ 13,796	21%
Willdan Portion	\$ 2,015	\$ 6,329	32%	\$ 2,445	\$ 12,413	20%
Town Portion	\$ 166	\$ 619	27%	\$ 431	\$ 1,383	31%

For fiscal year 2011-12, the highest permit/inspection fee represented 41% of total permit/inspection revenues, and the highest plan review fee represented 31% of total plan review revenues. For fiscal year 2012-13, the highest permit/inspection fee represented 21% of total permit/inspection revenues, and the highest plan review fee represented 21% of total plan review revenues. The lower that the highest fees represent as a portion of revenues can indicate a higher stability in the revenue trends. If the highest fee represents a significant portion of revenues, revenue trends can fluctuate more dramatically in years when large projects do not occur.

Summary of Findings

Estimated Valuations

As explained in this report, a valuation of each project needs to be determined to calculate the appropriate building permit/inspection and plan review fees. In some cases, the valuation was estimated based on an International Building Code (IBC) Valuation Table which provides per square foot values based on building category (residential, restaurant, education, etc.) and type of construction (wood frame, concrete frame/masonry walls, etc.). It was unclear whether the IBC Valuation Table used by Willdan was the version adopted by the Town Council.

When the IBC Valuation Table does not apply, an estimate is typically obtained from the customer. For many of these, we received copies of the customer's building permit application on which they indicated an estimated valuation. In some cases, we did not receive documentation as to how the estimated valuation was determined, whether obtained from the customer or estimated in some other manner.

In our review of other communities, the majority use building valuation tables in their calculations for the building permit/inspection fees. Valuation tables are updated by the ICC every six months, but each communities needs to decide the best valuation table to use for their area and if it is comparable to surrounding communities.

Permit/Inspection Fees

For certain projects, the permit/inspection fees were calculated based on a fee table that uses the estimated valuation to determine the fee amount. It was unclear whether the fee table used by Willdan was the version adopted by the Town Council.

When the fee table was not used, Willdan calculated the permit/inspection fees based on fixed or hourly rates. The fixed rates are based on full-day or half-day fee. In some cases, customers were charged half of the half-day fee which Willdan uses when they anticipate multiple inspections will be conducted during one trip. It was unclear whether a fee schedule for the fixed or hourly rates used by Willdan was adopted by the Town Council.

In some cases, we did not receive documentation as to how the permit/inspection fees were calculated, and we were unable to recalculate those fees.

Plan Review Fees

Of the projects we reviewed, several had no plan review involved, only an inspection. When a plan review is performed, the standard fee calculation is 65 percent of the permit/inspection fee. In some cases, Willdan Engineering charged an hourly fee instead. It was unclear whether a fee schedule for the fixed or hourly rates used by Willdan Engineering was adopted by the Town Council.

For some of the projects reviewed, we did not receive documentation as to how the plan review fees were calculated, and we were unable to recalculate those fees.

Town Portion of Plan Review Fee

According to the contract with Willdan Engineering, the Town receives 15 percent of all plan review fees. In many cases, we were able to recalculate and agree the 15 percent Town portion. In one instance, the Town portion exceeded the 15 percent, and in another instance, the Town portion was not calculated or submitted to the Town.

Comparable Jurisdiction Information

Per our scope of work, we conducted a review of the building permit fee structure and fees for three other jurisdictions; Coconino County, City of Williams and the City of Page and in addition, reviewed numerous other jurisdictions in the State of Arizona. All three jurisdictions used basically the same methodology of determining the amount of building permit/inspection fees. All three jurisdictions have adopted Building Valuation Data (BVD) that provides the average construction cost that they feel is most consistent with the cost of construction in their community. In looking at numerous other jurisdictions in the State of Arizona, that was also the case. What was not always consistent between the communities was the average cost of construction depending on the building type. However, they were very close. The BCVD from the City of Williams, City of Page and Coconino County are attached to the detailed report for your review.

In addition, all three jurisdictions had a similar structure for the building related fees and were adopted by Council. The structure is to charge the fee per square foot depending on the value of the construction or improvement within ranges. The City of Page and Coconino County had the exact

valuation ranges; for example, \$25,001 to \$50,000, \$50,001 to \$100,000, etc. and the City of Williams had slight differences in the ranges for the fees. In theory, the building permit/inspection and plan review fees are to cover the costs to perform the services associated with building code compliance. It is the decision of each jurisdiction to determine if they wish to cover 100% of their cost through fees, or a lower percentage that is then subsidized by the General Fund.

Each of the three comparable jurisdictions had similar building permit/inspection fees for a project valued between \$100,001 to \$500,000 ranging from \$967.89 to \$1,027 for the first \$100,000 plus ranging from \$5.23 to \$7.00 for each additional \$1,000 of valuation up to and including the \$500,000. Again, all three had adopted fee schedules by Council. The differences were based on the valuation of the improvements (average construction costs) and slight differences in the fee schedules. In all three jurisdictions, valuation tables and fee schedules were adopted by Council.

Recommendations & Next Steps

There are building permit/inspection fee process improvements and then overall recommendations or “next steps” the Town should take moving forward. The following is the recommended process improvements.

There is a common theme through this entire analysis which is “consistency and documentation.” Whatever valuation table or fee schedule is adopted by Council, (and they should be adopted by Council), that amount should be used unless there are extenuating circumstances that are documented by each building permit. We recognize there is building official expertise required to determine the extent of the review or inspections by project, but again these differences should be documented and consistent with the process. This documentation will give the Town a clear understanding on how the building permit/inspection and plan review fees were calculated and the Town will be able to reconcile this information to the general ledger and answer questions for its customers. A summary of recommendations follows for the five areas summarized in Table 1.

Valuations

- Identify when either the valuation tables or a customer valuation estimate should be used.
- When valuation tables are not appropriate, require documentation from the customer to support the valuation estimate provided.
- Documentation of the valuation calculations should be retained. If an estimate is provided by the customer, require and retain documentation from the customer.
- Identify when fees are dependent on valuations and when a fixed or hourly fee will be used.
- The Town should formally adopt the valuation table to be used, specify the alternate valuation calculations that should be made (e.g., tenant improvements), and identify when the table would be used and when a customer should submit valuation documentation.

Fee Calculations

- The Town should formally adopt a fee schedule to be used and identify when fees are dependent on valuations and when a fixed or hourly fee will be used. We have provided three fee schedules from surrounding communities that the Council could consider for adoption.
- Documentation should be retained when multiple inspections are necessary.

Town of Tusayan
Building Permit Review Process

- If a daily permit/inspection fee will be split amongst multiple customers, documentation should be retained regarding the customers serviced during that day.
- The factors for drive time and mileage included in the daily rate should be adjusted when multiple customers are serviced within a day.
- Internal controls should be in place to reduce errors in fee calculations and the amounts documented on the various forms.
- Documentation of the fee calculations should be retained.
- If the Town will be monitoring the process, the individual assigned will need some building related technical knowledge to understand when and what fees are to be charged.

Town Portion of Fees

- While the 15 percent calculation may be accurate, if the Town will be monitoring the process, the individual assigned will need some technical knowledge to understand when and what fees are to be charged to ensure the 15 percent Town portion is based on a correct total plan review fee.
- Internal controls should be in place to reduce the errors in fee calculations and the amounts documented on the various forms.
- Documentation of the fee calculations should be retained.
- If the Town collects the fees directly, unremitted fees can be avoided.

Customer Payments

- If Willdan Engineering continues to collect the fees, documentation should be provided both to the customer and the Town on how the fees are calculated and what the amount of the fees are.
- If the Town collects the fees directly, documentation should be retained to support the fees collected and ensure amounts are properly reported.

Revenues for building permit/inspection fees are paid directly by the customer to Willdan Engineering and not recorded on the Town's general ledger. Plan review fees are based on 65% of the calculated building permit/inspection fee. Of the 65% collected, 85% of the fee remains with Willdan Engineering and 15% is paid to the Town of Tusayan. We are recommending that beginning on July 1, 2014 for fiscal year 2014-2015, the Town record all building permit/inspection and plan review fees as revenues, and then record as an expense the amount that is distributed to Willdan Engineering. This will allow the Town to ensure appropriate fees are requested and collected and the appropriate allocation of the fees is occurring between the Town and Willdan Engineering.

We also requested a detailed listing of revenues collected by Willdan Engineering for fiscal years 2011-12 and 2012-13 as well as the Town's detail general ledger report of the plan review fees remitted during fiscal year 2012-13. There were discrepancies between the revenue report provided by Willdan Engineering and what was recorded on the general ledger but the majority of reconciling items were not material to the financial statements. Reconciling items would include the timing of the postings and a variety of fees collected not related to building permit/inspection fees. In the future, it is recommended that general ledger revenue accounts of the same type, such as building permit/inspection fees should be in a separate revenue account to be able to track the various fee types.

There were also a few inconsistencies in how amounts are listed on the Willdan building permit/inspection forms and the Willdan revenue listing. In some cases the plan review fee amount is the total fee, and in some cases it is the Willdan portion of the plan review fee even though the fee may have been calculated correctly. In some cases the total Willdan portion is truly the Willdan portion, and in some cases it is the total fee including the Town portion. The forms and reports should be clearly labeled and consistently used to minimize the possibility for errors.

Next Steps

The original purpose of this review and analysis was to understand the current building permit/inspection and planning review process and how the fees were calculated, charged and administered in the Town of Tusayan compared to other jurisdictions. This was never intended to be an "audit" but did require extensive research, analysis and discussion with Willdan Engineering. The main objective was to outline the process so that decisions could be made by Council for the future structure, appropriate fees, and administration to serve the Town's customers in the future. As a result, here are the "next steps" for the Council to consider.

To summarize, there are four major recommendations for the Town of Tusayan to consider.

- 1) Develop Request for Proposal (RFP)
- 2) Require Deposits for Building Permit/Inspection and Plan Review Fees
- 3) Adoption of IBC evaluation table and comparable fee schedule by Council
- 4) The Town collect and record the revenues and expenditures for the building permit/inspection and plan review fees

RFP

During this review and analysis of the building permit/inspection and plan review fees, we soon found out that it was not possible to develop the true cost of providing the service of building code compliance without conducting a full financial audit of each transaction compared to what Willdan's Engineering costs were. Even if this was done, it still would not address the service level that the Town of Tusayan would want to provide its customers or what service level they expect from their contractor moving forward.

In addition, during our review we were not able to see a consistent application of the valuations of the projects and how the fees were calculated. Again, we are not indicating that the fees were calculated incorrectly, we just did not have all the documentation to understand how they were developed and to verify the calculations.

It is our recommendation that the Town develops a request for proposal for building permit/inspection and plan review services. This will allow the Town to define the services it wants at the level the Town desires and evaluate them by cost. This will also assist in the Town gathering the information it needs to be able to set the building permit/inspection and planning review fees to either cover the total cost of the outside party providing the service, the Town's cost for collection and reconciling of the fees, and what if any funds from the Town's General Fund will be used to subsidize the fees.

Deposits for Fees

Many communities charge a minimum deposit for their building permit/inspection and planning review fees depending on the value of the project and the estimated fees. As part of the RFP process, we are recommending that the Town consider this as it will give the customer a preliminary fee estimate, allows the Town to collect a portion of the fees upfront, and will give further accountability by having to reconcile the deposit to actual fees when the permit is issued.

Adoption of Evaluation & Fee Schedules

As outlined in the summary findings the City of Page, City of Williams and Coconino County all have approved Building Valuation Tables originated from various adopted versions of the IBC. The valuation tables for all three jurisdictions were similar per valuation per square foot for residential, but not the same. It is recommended that the Town through the RFP process establish the building valuation tables and the Council formally adopt them.

It is also recommended the Town consider a fee schedule similar to the City of Page and Coconino County until a fiscal year of activity can be tracked to determine if a different fee schedule would need to be adopted specific to the Town of Tusayan.

Collection & Recording of Fees

As described in the summary findings, we are recommending that beginning on July 1, 2014 for fiscal year 2014-2015, the Town record all building permit/inspection and plan review fees as revenues, and then record as an expense the amount that is distributed to or retained by Willdan Engineering. This will allow the Town to ensure appropriate fees are requested and collected and the appropriate allocation of the fees is occurring between the Town and Willdan Engineering. While the amount may not be material to the financial statements, it will comply with generally accepted accounting principles and provide information regarding the total revenues generated by the building permit process to assist with any future business decisions and analysis.

ITEM NO. 7C

March 5, 2014

Town of Tusayan
P.O. Box 709
845 Mustang Drive
Tusayan, AZ 86023

RE: Camper Village Authorization – Coconino County Parcel Numbers 502-17-002-K
(Lot 2K), 502-17-001-P (Lot 1P) and 502-17-005 (Lot 5)

To Whom It May Concern:

As the respective owners of the above referenced parcels (the “**Camper Village property**”), the purpose of this letter is to formally acknowledge that Logan Luca and Tusayan Ventures, Arizona limited liability companies:

- 1) are aware that Stilo Development Group USA (“**Stilo**”), an Arizona limited liability company, and the Town of Tusayan (the “**Town**”), an Arizona municipal corporation are contemplating entering into a First Amendment (the “**Amendment**”) to Pre-Annexation Development Agreement No. 2011-1102 between the Town and Stilo recorded by the Coconino County Recorder on November 9, 2011 per Coconino County Recording No. 3610450; and,
- 2) understand the Amendment revises some of the terms relating to the commercial development at the Camper Village property. Specifically, Amendment revises the terms by which commercial development may occur at Camper Village.

In addition, the undersigned formally authorize Stilo to enter into the Amendment with the Town. On behalf of Logan Luca, LLC and Tusayan Ventures, LLC, respectively, we agree to be bound by the terms of the Amendment.

Logan Luca, LLC has the development rights for Lots 1P and 2K and Tusayan Ventures, LLC has the development rights for Lot 5. All referenced parcels are fully described in Exhibit A enclosed with this authorization. This letter agreement may be executed in counterparts.

Sincerely,

(SIGNATURES ON NEXT PAGE)

March 5, 2014

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TUSAYAN VENTURES, LLC, an Arizona limited liability company

By: 

Signature

Name: THOMAS DE PAOLO

Printed Name

Its: vice-president of Medallion Ventures, Inc.,

^{Title}
its sole member

STATE OF ARIZONA)

) ss.

County of Maricopa)

On this, the 6th day of March, 2014, before me the undersigned officer, personally appeared Thomas De Paolo, who acknowledged himself to be the vice-president of Medallion Ventures, Inc., ~~the sole member~~ of TUSAYAN VENTURES, LLC, an Arizona limited liability company, whom I know personally or whose identity was proven to me on the basis of satisfactory evidence to be the person whose name is subscribed to this instrument and he, in such capacity and being authorized to do so, executed the foregoing instrument for the purposes therein contained on behalf of that entity.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.



Notary Public



DAWN M. McCOMBS
Notary Public - Arizona
Maricopa County
Expires 11/30/2017

March 5, 2014

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ACCEPTED AND ACKNOWLEDGED:

TOWN OF TUSAYAN, a political subdivision
of the State of Arizona

By: _____
Signature

Name: _____
Printed Name

Its: _____
Title

March 5, 2014

Page 5

STATE OF ARIZONA)
) ss.
County of _____)

On this, the ____ day of _____, 2014, before me the undersigned officer, personally appeared _____, who acknowledged himself to be the _____ of the TOWN OF TUSAYAN, a political subdivision of the State of Arizona, whom I know personally or whose identity was proven to me on the basis of satisfactory evidence to be the person whose name is subscribed to this instrument and he, in such capacity and being authorized to do so, executed the foregoing instrument for the purposes therein contained on behalf of that entity.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Notary Public

EXHIBIT A

LEGAL DESCRIPTION

A parcel of land situated in Homestead Entry Survey 401, Section 24, Township 30 North, Range 2 East, Gila and Salt River Meridian, Coconino County, Arizona, described as follows:

Those parcels of land described as Parcel 1, Parcel 2 and Parcel 3 in Instrument No. 3194896, Records of Coconino County, Arizona (RCC);

AND that parcel of land described as Parcel 5 in Instrument No. 3194906, RCC.

ITEM NO. 8A

Election Calendar for Primary 2014

March 26 – Publish first notice of Public Hearings on Home Rule Option

April 2 – Publish second notice of Public Hearings on Home Rule Option

April 9 – Hold first Public Hearing on Home Rule Option

April 16 – Hold second Public Hearing on Home Rule Option

April 16 – Council votes on Resolution referring Home Rule Option to the Voters

April 23 – Publish record of vote on Home Rule Option, amount of expenditures in excess of the state-imposed limitation, and purposes for the excess

April 28 – Submit required information to Auditor General's Office

May 19 – Receive reviewed analysis from Auditor General's Office

May 28 – Deadline to receive arguments for or against Home Rule Option for Publicity Pamphlet

May 28 - 90 Day Notice Mailed to PEVL (Permanent Early Voter List – Unaffiliated voters must designate what party or nonpartisan ballot they want A.R.S. 16-544 (D))

June 4 – Send draft of publicity pamphlet to Auditor General's Office for review

June 27 – Send publicity pamphlet to printer

July 12 – UOCAVA (Uniformed and Overseas Citizens Absentee Voting Act) Ballots must be sent (45 days prior)

Week of July 21 - Publish First Notice of Election A.R.S. 16-228

July 24 – Early ballots must be available

July 24 - Publicity Pamphlet Must Be Mailed (Prior to Early Ballots Being Sent)

Week of July 28 - Publish Second Notice of Election A.R.S. 16-228

July 28 - Voter Registration Deadline (29 days prior)

July 31 - Early Voting Begins & Ballots Mailed (26 days prior)

August 15 - Last Day to Request Early Ballot Be Mailed

August 22 - Last Day to Vote Early In Person

August 25 - Emergency Early Voting

August 26 – Primary Election Day

September 9 - Canvass Election Results (tentative date- must be done by September 15 – 20 days after election A.R.S. 16-642)

ITEM NO. 9

Manager's Report
March 19, 2014

I. ADMINISTRATION:

- a) I have talked with the Local Government Investment Pool (LGIP), which the Chase Bank representative indicated appears to be the best investment strategy for the town.
- b) I contacted Coconino County regarding possibility of working with them for Building Services in Tusayan, but haven't heard back. I'll include them when the RFP is ready to send out.
- c) Staff received the final report from Pat Walker and Tami which the Council will consider accepting in their March 19th meeting.

II. ADOT – The Mayor and I met with ADOT staff on the bus shelters project and obtained clarification on ADOT's shift in policy regarding not permitting community signs to be put on an ADOT sign. In this regard, staff requested Willdan to put plans together for extending the sidewalk on the southeast side to terminate into FS302 road as well as replace the sign structure in that general area on which to display the service organization signs. The thinking is that the contractor for the bus shelters (Conco Concrete) may be able to do this work while working on the shelters, however ADOT's clearance/permits will be needed for this additional project. Further, staff has asked for options ADOT may be aware of for improving the safety for the crosswalks in town. Staff also contacted ADOT about a couple of Yield signs that are down at the north and south roundabouts, which have been repaired.

III. AIRS – Chief Evans has decided not to move forward with the grant request to help fund the AIRS project as he received conflicting information about its viability in our area and is seeking clarification. He plans to visit with others, including Mark Venuti, who works for Guardian and sits on the AIRS board, and who made a presentation at the October 2nd Council meeting on the AIRS program. Staff plans to work with the TFD to assist with putting this program into place for improved emergency services communications.

IV. BROADBAND – ADOT received a letter from GovNet (see attached) about putting in a new 120' tower at the airport which will bring increased broadband into this area. The meeting we had scheduled for March 3, 2014 to follow up on this opportunity was postponed. We'll reschedule this meeting and continue to see what the town can do to assist in the ongoing efforts to improve internet services to this area.

V. BUDGET – a preliminary budget for FY2014-15 was provided at the Council Retreat, which staff continues to work on for the upcoming Home Rule election.

VI. CDBG – Isabel Rollins, NACOG's CDBG representative has completed and submitted the ERR (environmental review report) to ADOH, which ADOH sent the town a letter indicating another authorization letter is forthcoming in order to start this project. Staff is hopeful to be able to begin bidding, et cetera sometime in April.

VII. COMMUNITY PARK – The Park Committee met in February and gave staff direction to apply for a SWPPP, which has been done through Willdan. In addition, Willdan is putting together a performance bid to do the dirt work for the fields that will also require a SWPPP. Staff plans to follow up with Art Babbott regarding the County Parks and Open Space (CPOS) program to express Tusayan's interest in participating in this program.

VIII. COUNCIL FOLLOWUP:

- a) Coconino County Health Department has been requested to submit a budget to the town for animal control services so they can be include in the upcoming fiscal year;
- b) The Council Retreat on February 21st went well and I thought the meeting with emergency service providers/coordinators was particularly timely given the fire season prospects. I also appreciated Tom Belshe of the League's presentation, however the Council was unable to finish their goal setting exercise or to really review the budget for next fiscal year and some indicated a need to meet again in a few months.
- c) Staff is finishing up the RFQ for engineering services and the RFP for building and planning services, which should be done for Council review in April.

IX. DEVELOPMENT/P&Z MEETING – The P&Z Commission met on March 12, 2014 to consider the draft General Plan and approved it with a couple of minor recommendations. The General Plan will now go to the Town Council for their consideration at their April 9th meeting. Lawrence Tomasello is the new planner from Willdan. His email is lawrence_tomasello@yahoo.com and his number is (520) 826-9352. I know he's worked as a planner in California and in Arizona, but don't have the specifics to share as yet. He is helping with amending the draft General Plan.

X. DRAINAGE – J2 Engineering is continuing to work on phase 2 of the drainage study which will be under the \$40,000 cap for estimated costs for this study. I'm trying another way to obtain aerial maps of this area from ADOT but haven't received return calls from a couple of staff on my requests. These maps would also be useful to J2 in completing the drainage study as well as to the town on other projects. J2 is proceeding with putting together a summary of projects that would address the town's flooding issues.

XI. MUNICIPAL CODE – Working through a process of putting municipal code information together for the Council to review according to schedule shown on future meetings. Staff recently provided an overview of the codes that had been approved by the Council and a schedule of the remaining codes to be considered by the Council. Staff is working to put approved codes in a binder for Council to have as we move forward. The Council approved the Building Codes at their last meeting in January 2014.

XII. PUBLIC OUTREACH – Mike Williams, Kaibab National Forest Supervisor called and indicated that he and James Simino the new FS Ranger for the Tusayan District will be coming before Council for introductions and an update on forest activities. He appreciated that James was able to attend the recent emergency services meeting with the Council and other public safety officials.

XIII. SIGNS – town hall signs were installed and still trying to find a way to add the address at a reasonable cost. Also, will need signage for park with new rules which the Council approved at their December 4, 2013 Council meeting. I did find out that the Park Service also manufactures signs, which we'll look into for future sign projects.

XIV. STILO – The amendment to the Pre-Annexation Development Agreement (PADA) with Stilo was passed by the Council in their January 22, 2014 meeting and the final execution of agreements, deeds, et cetera is being completed between officials of the Town and the Stilo Group. The work of obtaining access from the Forest Service can now start in earnest with the Town taking the lead on this part of the project.